

RECEIVED

AUG 17 2010

DIV. OF OIL, GAS & MINING

Thomas F. Miller  
1116 N. Frontage Rd.  
Deer Lodge, MT 59722  
August 13, 2010

*Incoming*  
*50030035*  
*cc: Lynn*

Mr. John Baza, Director  
Utah Division of Oil, Gas, and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Ref: (a) Criminal Trespass by the Department of Oil, Gas, and  
Mining  
(b) Destruction and Theft of Personal Property located at  
The Vipont Mine Property.

Dear Mr. Baza:

I found out about the damage and theft at the Vipont Saturday evening, Aug. 7, 2010. I was shocked! Why would something like that have happened? I talked with you on Aug. 10<sup>th</sup>, when you told me you knew nothing about the situation; in fact you didn't even know where the Vipont was. You called me on the 11<sup>th</sup> after a meeting you had with your staff and told me yes, they had been up there. You said you had a right to trespass on private (deeded) property, without my knowledge or permission.

Present Criminal Trespass by Utah Oil, Gas, and Mining Division (early spring of 2010)

Mr. Baza you never answered my question posed to you on the 11<sup>th</sup> as to your right to enter the Vipont Mine area without notifying me. Your department has always done so before by sending a letter requesting a "Consent for Access to Property" form, and reasons for entering. Ownership can quickly be found out by visiting the Box Elder Co. courthouse. My name and address are there, along with the record of taxes paid in full up to date. You will see that I am the owner/ operator, and have been for over 40 years. Your department knows that. I have not heard from your department for at least 10 years by letter or phone. I think you didn't want me to know about this criminal trespass.

In order to get to the building and equipment, you have to drive across the property which is fenced, gated, and posted, and has been for over 40 years. There was no reason to do this; there was no endangerment to the public or environment caused by anything we had done in our operation on our patented mining claims. We hadn't operated for 22 years, but we had not abandoned the property.

I believe your division and people under you took it upon yourselves to ignore the NO TRESPASSING signs and the fact that you thought I was a nobody and lived 500 miles away in Montana. Or perhaps you chose to listen to local gossip that affirmed "He

miles away in Montana. Or perhaps you chose to listen to local gossip that affirmed "He sold the property," "He left the country," "He abandoned the mine," instead of looking up the facts. I noticed you didn't or wouldn't have done, anything to my billionaire neighbor—the Jack Simplot Co.

You completely destroyed, tore down, and removed my padlocked shop and dry—including septic system—and destroyed and stole my heap leaching plant and equipment. This took over a year to build in 1976-1977 at a cost of over \$400,000.

The destruction of my drill core and hundreds of samples cannot be replaced—only by resampling and redrilling. This would cost at least \$1.5 million now.

### Background of Vipont Mine and Thomas F. Miller

I grew up in a mining camp in Montana; worked there during high school on the surface and as an underground contract miner to pay my way through college, where I graduated from BYU in 1961 with a BS in Geology.

I have worked for many large mining companies as well as being a Consulting Geologist for over 35 years. In 1966 I leased and subsequently bought, the Vipont Mine with the help of Thayer Lindsley in 1968. I have done extensive exploration on the Vipont property amounting to approximately \$2.5 million.

### Vipont Mine

The mine consists of 53 patented (deeded) mining claims in one block of approximately 1,000 acres. These patents were issued when the mineral survey was completed in 1903. The Vipont's greatest period of production was in the early 20's under the Pittman Silver Purchase Act, which guaranteed \$1.00 per ounce for silver. When the government fulfilled the purchase August 17, 1922, the price of silver fell to the world price of \$0.64 an ounce of silver; Vipont Silver Mining Co. closed the mine. It produced 3,400,000 ounces of silver and nearly 9,000 ounces of gold during this period, and employed 200 people.

In 1922, the Vipont was the fourth largest producer in Utah when Utah was the largest producer in the U.S. that year. Vipont produced in excess of 1,000,000 ounces of silver in that year.

Except for a minor operation in the 30's, the Underground mine has been idle since it closed in 1923.

In 1966, I received the largest O.M.E. loan let to an individual that year. Money was used to do extensive drilling down dip from the old mine workings. Substantial hi-grade ore was discovered. Since then nearly \$2,500,000 has been spent in exploring and reopening old workings.

In 1976, I built (with the help of Newmont Mining Chief Metallurgist from Elko, NV) the first successful silver cyanide heap leaching plant in the world. This ran for over 10 years, in which time the old tailings were reclaimed from the Birch Creek bottom and leached. The project was very successful. (A dam had been built across Birch Creek in 1918; approximately 90,000 tons of mill tailings were impounded there. Around 1940 a flood had breached the dam, causing about 20,000 tons of tailings to wash down Birch Creek.)

During this 10 yr silver and gold leaching operation no harm was done, or accidents with cyanide or other chemicals. Our testing of the spent material showed no traces of cyanide, as it dissipates rather quickly after its use. Sampling of the water in Birch Creek after the leaching was negative as to cyanide, or other chemicals used in the process.

By court order from a judge, the Oil, Gas, and Reclamation (your people) were allowed to test dumps, processed tailings, and Birch Creek after we completed leaching. No hazards were found—only a few above average Pb readings after going through the old tailings that had been left in Birch Creek in the 1920's.

Overall any problems on the property have been minimal; in fact your department was just getting started about the time my leach operation started in 1976. Jack Fyte was the director; he and I got along well together

Sometime in the early 80's, your division said I had to put up a bond. I wrote a letter and then met with the Division heads in Salt Lake City, UT, explaining my position—that I was on patented land, and doing reclamation. Subsequently the Attorney General of Utah called me and said I was exempt and didn't have to pay a bond. Mr. Fyte of your department agreed that this could be called reclamation, and did indeed clean up the creek. My leaching operation to date has reclaimed most of the remaining tailings behind the dam and reclaimed this area. These were the tailings that we leached and stored on higher ground away from the Creek to prevent any further erosion.

During the heap leaching and underground development, I have had a remarkable record with MSHA (Mine Safety Health Administration) with only one or two minor citations. In fact, I have gotten along reasonably well with your division. Incidentally, during these years there were many government agencies, including but not limited to the BLM, EPA, Utah Mine Inspectors, etc.

## PRESENT

A substantial Open Pit reserve of silver and gold has been drilled out and proven—along with expanded underground reserves. Since about 1990, because of low metal prices, the property has been idle—except for some extensive Geological evaluations and testing.

There have been many who have offered substantial amounts for the Vipont in the last three years. I am not interested in selling the property. Property taxes have been paid over 40 consecutive years. Portals have been fenced to MSHA requirements. The property has been continually posted as "No Trespassing" since 1966.

There was heavy snow damage done to my shop a few years ago, which we were going to repair. I had over \$1,200,000 worth of diamond drill core and sacks of samples stored in the shop. The shop was posted; however it was continually broken into with minor damage because the area is isolated and some distance from anyone. I had it pad locked front and back.

The dry and office were electrified and plumbed and operational, but were damaged by recent break-ins. We intended to repair this when we start up again.

The present plan, with silver and gold at these high prices, is to reopen the mine, build a mill, along with a nine-mile power line. Full time employment will be from 80-100 men.

Your so-called reclamation covered up my compartmental asphalt leach pads. I was going to use these for ore testing with ore from the recently discovered Open Pit mine on top.

As far as the reclamation you felt was so necessary, your testing would find no residual cyanide in the processed tailings, or ore pile, or any other hazardous material. My leaching operation removed 60,000 tons of tailings along Birch Creek, which were piled in a more secure setting than along the creek bottom. This was true reclamation to this area, as fish and other wildlife continue to enjoy this area better than ever.

Thomas F. Miller  
Owner and Operator



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**Personal Property Damaged or Stolen by your Department or your Contractor**

1. Complete demolition and destruction of my 50'X 80' (4000 sq ft,) Steel Building which included shower room and dry. This building was erected in 1977.
2. Destruction and burial of core and drill samples stored there that cost me over \$1,200,000; also mine lamps, drills, new drill and steel and numerous other items.
3. Stolen Property
  - Three fuel tanks 2-1000 gallon tanks with slants  
1-2000 gallon tank with slants
  - One ore agglomerator with motor, reducer and vibrator  
My cost to build 32 yrs. ago: \$35,000
  - Three 10'X10' Diameter precipitation tanks with motors and agitators
  - Five gold carbon tanks 3' Diameter 12' high
  - Three electric panels with switch boxes
  - One large ore screen
  - Numerous steel gates, pipe, etc.
  - Two filter presses 370 sq. ft. each, weight 15,229 lbs.  
One filter press 82 sq. ft., weight 6,000 lbs.
  - One large underground Fan
  - Two Toyo Jackleg Drills
  - One Antique Drill Drift Liner

## SUMMARY

The State of Utah: You and your contractor(s) are responsible for Criminal Trespass, destruction, theft of my personal property in the amount of in excess of \$1,500,000, plus any punitive damages. .

**This matter has been referred to the FBI and appropriate county Sheriffs.**

Enclosures

Mark Styler, Executive Director Utah Dept. Natural Resources

My Legal Council

FBI

Lynn Yeates, Box Elder Co, UT Sheriff

Randy Kidd, Cassia Co., ID Sheriff

Mark Shertleff, Attorney General, State of Utah

Stephen R. Hadfield, County Attorney, Box Elder Co.

Governor of Utah

Governor of Idaho

Utah Mining Association

Senator Peter Knudson

Representative Jim Matheson

U.S. Senator Wallace Bennett

Geological Consultant A.H. Beers